



DISASTER NEWS

Economic Injury Loans for Small Businesses

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NEWS RELEASE

SBA DECLARES RED TIDE A DISASTER

Small businesses can apply for economic injury disaster loans

BOSTON, MA – The U.S. Small Business Administration announced today that low-interest federal disaster loans are available to small businesses affected by the toxic algae bloom that has been contaminating shellfish along the coast of several counties in Massachusetts since April.

Massachusetts Gov. Mitt Romney declared a state of emergency on June 9, and asked for SBA disaster assistance.

“At the request of Governor Romney, SBA evaluated the impact the Red Tide is having on small businesses in Massachusetts and determined a disaster declaration is warranted. This declaration makes working capital loans available to small businesses that suffered economic injury as a direct result of the impact this event is having on the fishing industry,” said SBA Administrator Hector V. Barreto.

Economic Injury Disaster Loans (EIDLs) are available to small businesses that are unable to pay bills or meet operating expenses. The purpose of the program is to provide working capital to businesses so they can recover from the impact of this disaster. Eligible small businesses may qualify for loans up to \$1.5 million with an interest rate of 4 percent and terms extending up to 30 years. The EIDL program does not address physical damage losses.

Although businesses primarily engaged in fishing may be impacted the most, the program is also available to Main Street and ancillary businesses suffering from the economic impact of this event.

SBA will be opening several outreach centers (locations and hours to follow) throughout the hardest hit areas on Friday June 17th. Experienced loan officers will be on hand to answer questions and provide assistance in completing the loan application. These disaster loan workshops will remain open for as long as the need persists.

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SBA's disaster declaration includes the primary counties of Barnstable, Essex, Nantucket and Plymouth, as well as the contiguous counties of Dukes, Bristol, Norfolk, Middlesex and Suffolk in the Commonwealth of Massachusetts; Hillsborough and Rockingham in the State of New Hampshire. However, to be eligible for consideration under the SBA disaster program, losses sustained must be the result of the economic damages sustained since the onset of the Red Tide beginning April 1, 2005.

Interested small business owners are urged to visit an SBA workshop or to call the SBA Disaster Area 1 Office at **1-800-659-2955 or 1-800-877-8339** for the hearing-impaired, for more information and to obtain a loan application. Applications can also be downloaded from SBA's website, www.sba.gov/disaster. Completed loan applications should be returned to the SBA, 14925 Kingsport Road, Fort Worth, Texas 76155, no later than March 14, 2006.

For more information visit SBA's website at www.sba.gov/disaster

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SBA Disaster Assistance Office/Area 1 - 360 Rainbow Blvd., South - Niagara Falls, NY 14303